

U.S. Department of Energy

OAK RIDGE OPERATIONS OFFICE

ANNOUNCEMENT

OR 3831

July 9, 2001

SUBJECT: THRIFT SAVINGS PLAN OPTIONS

This is just a reminder of the many options currently available to you through the Thrift Savings Plan (TSP).

Beginning July 1, 2001, you may transfer funds into your TSP account from 401(k) plans, and other qualified retirement plans established by previous employers, or from conduit Individual Retirement Accounts (IRAs). Two types of transfers will be allowed: (1) direct transfers from the plan or IRA to the TSP, and (2) rollovers in which the employee takes possession of the money and subsequently deposits it in the TSP. Only pre-tax contributions are deemed "eligible" for these transfers. The TSP will not accept already taxed money. Employees should exercise care to avoid tax penalties sometimes associated with rollovers. Direct transfers are usually a safer option. Participants will need to deal directly with the TSP Service Office to accomplish transfers. Additional information concerning this option is available at www.tsp.gov/forms/tsp-60.pdf.

Also beginning July 1, 2001, employees covered under the Federal Employees Retirement System (FERS) may contribute up to 11 percent of their salaries to the TSP. Employees covered under the Civil Service Retirement System may contribute up to 6 percent of their salaries to the TSP. **All participants may request to increase their contributions during the current open season which ends July 31, 2001.** If you are a FERS employee and your salary is more than \$100,000, you may miss out on agency matching contributions if you reach the \$10,500 IRS annual limit for elective deferrals before the end of the calendar year. To maximize your agency contributions, see the Fact Sheet "Annual Limit on Elective Deferrals" available at www.tsp.gov/forms/oc91-13w.pdf.

All newly hired and rehired employees, regardless of retirement system coverage, are now immediately eligible to enroll in the TSP during their first 60 days of employment.

Employees may now allocate future contributions among TSP funds at any time by using the TSP web site; the ThriftLine, (504) 255-8777; or by mailing Form TSP-50 to the TSP record keeper. If you don't already have a TSP personal identification number needed to access your account through the TSP web site, now is a great time to request one. Visit the TSP web site at www.tsp.gov. Remember, you now have five TSP investment funds to choose from. In addition to the G, F, and C Funds, the TSP offers a Small Capitalization Stock Index Investment (S) Fund and an International Stock Index Investment (I) Fund.

If you have any questions concerning the TSP, do not hesitate to call Veronica Dillon at (865) 576-8615 or Jill Stephenson at (865) 576-0677.



Melanie M. Kent, Chief
Personnel and Management
Analysis Branch